



Sustainable from the beginning

26 July 2010



© Copyright 2010 United Parcel Service of America, Inc. UPS, the UPS brandmark and the colour brown are registered trademarks of United Parcel Service of America, Inc. All rights reserved.



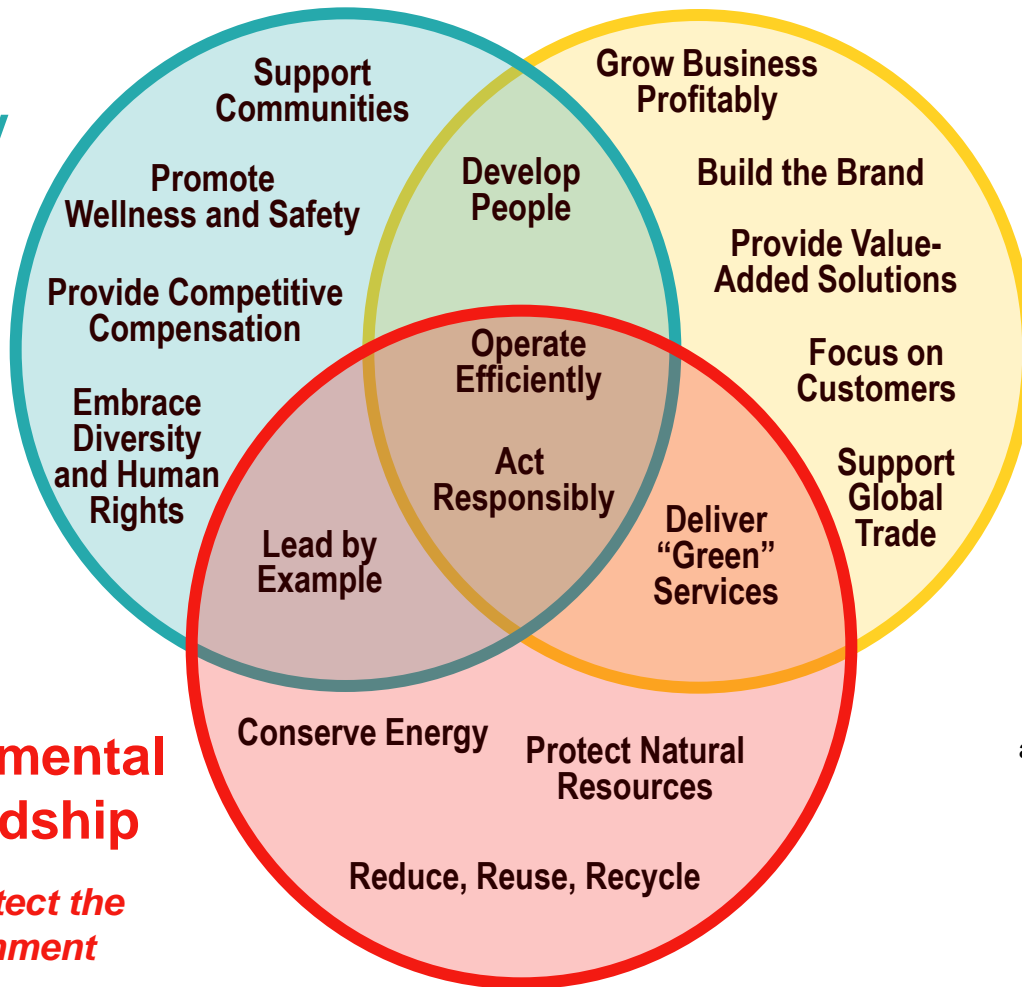
Agenda

- Global Sustainability Strategy
- Modality
- Airline
- Ground fleet
- Mitigation
- Waste
- Reporting
- Recognition
- 2012

Global sustainability strategy

Social Responsibility

Help Improve the Human Condition



Economic Prosperity

Help Strengthen the Enterprise

Environmental Stewardship

Help Protect the Environment

Definition:

The business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future.



Modality

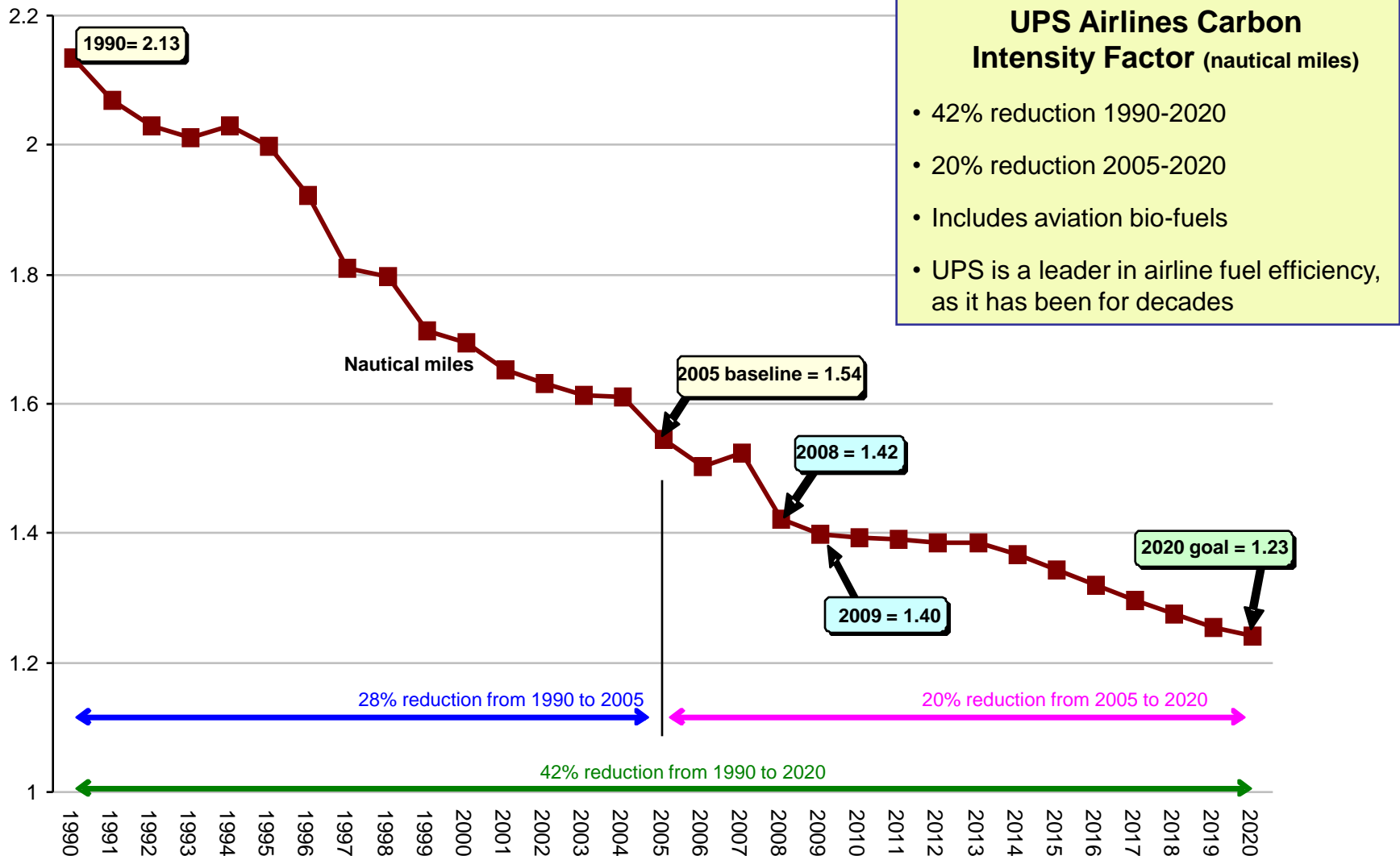


Multiple transportation modes both energy- and time-efficient

- Network flexibility allows for shifts to the most fuel-efficient mode of transport
 - Package Car, Tractor Trailers, Aircraft, Rail, Ship
- Use rail extensively to reduce carbon emissions for long-distance shipping more than anyone else in the package industry
 - Rail transportation is four times less energy intensive than truck
- This strategy prevented emissions of more than 5.44 million metric tonnes of CO₂ in 2008 and 2009

Aggressive airline emissions goal

Our industry-leading numbers will only get better





Ground Fleet – Routing Technology and Telematics

Telematics and Package Flow Technology help manage behaviour, routing and fuel efficiency

- In 2009, drivers in telematics-equipped vehicles:
 - Eliminated more than 13.5 million minutes of idling time. This translates into fuel savings of more than 90,000 gallons.
 - Improved stops per mile by 25% more than non-telematics centers, saving 5.6 million miles, equating to over 590,000 gallons of fuel.
- Package Flow Technology has helped avoid more than 100 million miles of driving since 2003.



Ground Fleet - Alternative fuel / technology vehicles

UPS has a large alternative-fuel / technology vehicle fleet, with one-third of these vehicles outside the U.S.

- “Rolling laboratory” philosophy — work with manufacturers to propel new technologies to commercial viability
- More than 2,000 alternative fuel / technology delivery vehicles in operation, these vehicles have travelled more than 185 million miles worldwide since 2000
- 250+ Hybrid electric vehicles in operation.
30% + increase on fuel economy compared with conventional diesel vehicle, first trialed in 2001
- Hybrid hydraulic vehicle developed in 2005.
40% + increase on fuel economy compared with conventional diesel vehicle.



Mitigation of carbon emissions



An easy way to offset the carbon emissions resulting from shipping

- UPS calculates carbon emissions for all carbon neutral shipments, then purchases and retires offsets equalling that amount
- A nominal fee covers the offset cost plus carbon calculation
- UPS purchases only high-quality certified offsets
- UPS will match offsets up to \$1 million through 2010
- The UPS carbon neutral shipping process is verified by SGS and certified by The CarbonNeutral Company
- UPS's calculation method is accurate because it starts with an accurate company emissions inventory and includes scope 1, 2 and 3 emissions, in a manner verified by SGS.



Waste Management

Reduce, reuse, recycle

- Solid waste recycling, including cardboard and pallets, totalled nearly 35,000 tons in 2009
- E-waste recycling expanded in Europe and Asia, totalling more than 27 million tons since 2000
- More than 25 tons of batteries recycled since 2008
- Recycling reduced UPS CO₂ emissions by more than 120,000 metric tonnes in 2009
- Reusable sortation bags
- Paperless delivery recording in 49 countries

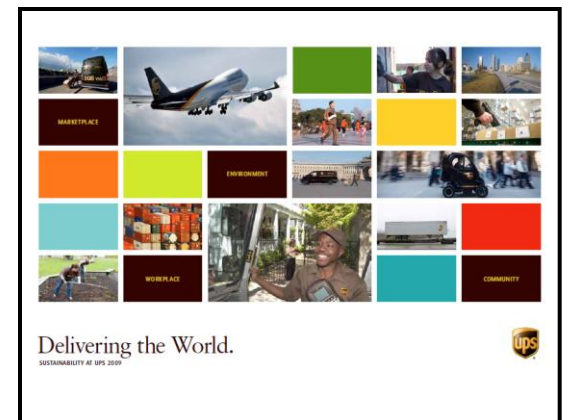


Reporting responsibly



Produced and published the package delivery industry's first sustainability report in 2003 (2002 data)

- First worldwide report to use the GRI format
- Have reported every year since 2003
- UPS reports on scope 1, 2 and 3 emissions, as well as global enterprise emissions
- 2009 report GRI-checked and validated by Deloitte & Touche





Recognition - Carbon reporting

Standard for credible, transparent carbon reporting already achieved

- Carbon Disclosure Project (CDP) annually surveys how companies disclose their climate impact
- CDP elevated UPS in 2009 to its Global 500 “Carbon Disclosure Leadership Index” of the top-50 companies around the world*
- Neither FedEx nor DHL was named to the indexes

Carbon Disclosure Project	
	2009 CDLI Score
UPS	82*
Deutsche Post	63**
FedEx	59**

*Leadership Index – Carbon Disclosure Leadership Index (CDLI). Carbon Disclosure Project – Results. Carbon Disclosure Project. n.d. Web. January 19, 2010. <<https://www.cdproject.net/en-US/Results/Pages/leadership-index.aspx>>.

**Carbon Disclosure Project Global 500 Report, PriceWaterhouseCoopers, pgs. 39, 40.



Recognition - Confronting climate change

Dedicated to addressing climate impact

- UPS scored first place in 2009 consumer shipping Climate Counts rankings*
- Collaborative effort to bring consumers and companies together in the fight against global climate change
- Companies are scored on their climate impact to encourage corporate climate responsibility and conscious consumption

Climate Counts Scores*	
UPS	69
Deutsche Post World Net/DHL	68
U.S. Postal Service	56
FedEx	55





Taking the *Lead* in London

Sustainable Logistics for the London 2012 Games

DRAFT: July 20, 2010



© Copyright 2010 United Parcel Service of America, Inc. UPS, the UPS brandmark and the colour brown are registered trademarks of United Parcel Service of America, Inc. All rights reserved.

Thank you



© Copyright 2010 United Parcel Service of America, Inc. UPS, the UPS brandmark and the colour brown are registered trademarks of United Parcel Service of America, Inc. All rights reserved.